

ANDREAE EQUITY INVESTMENT FUND LIMITED

The following information is supplied by Herbert Christopher Andreae, President, Andreae Equity Investment Fund Limited.

CHARACTERISTICS:

1. Ownership—

Ownership of Class "A" shares provides the holder with an opportunity to participate in the growth of the economy and also acts as a hedge against inflation.

2. Diversification—

Owners of Class "A" shares acquire an interest in a broad selection of securities thus spreading their investment into varied segments of the economy.

3. Professional Management—

Continuous, active management of the Company's portfolio of investments is maintained by experienced investment manager.

4. Custodianship—

All moneys and securities of the Company are to be held in safekeeping by a Canadian chartered bank, further reference to which is made in Paragraph 11.

5. Marketability—

The Company's Class "A" shares may be redeemed at any time at their net asset value (liquidating value) at the option of the holder, but not at the option of the Company.

METHODS OF PURCHASE:

6. Class "A" shares of the Company may be acquired by investors in the following ways:

1. Cash Purchase, particulars of which are set out on page 20.
2. Accumulation Plans (available only in the Province of Quebec), particulars of which are set out on page 20.
3. Accumulation Plans with Insurance (available only in the Province of Quebec), particulars of which are set out on page 22.
4. Systematic Capital Accumulation Plan No. 120 offered by C.A.P. Limited (not available in the Province of Quebec), particulars of which are set out on page 23.

5. Systematic Programme, particulars of which are set out on page 23.

6. Withdrawal Plans, particulars of which are set out on page 23.

7. Retirement Savings Plan, particulars of which are set out on page 23.

Details of the aforesaid are contained in Paragraph 14 of the Statutory Information of this Prospectus.

7. Information to Shareholders—

Confirmation of each investment by shareholders is forwarded to shareholders. Shareholders receive quarterly reports of the Company.

8. Termination of Plans—

HOLDERS OF THE THREE TYPES OF ACCUMULATION PLANS DESCRIBED IN PARAGRAPH 14 OF THE STATUTORY INFORMATION OF THIS PROSPECTUS ARE ENTITLED FOR A PERIOD OF 30 DAYS FROM THE DATE OF ACCEPTANCE OF SUCH PLANS TO THE RETURN OF ALL MONEYS PAID THEREUNDER.

PERFORMANCE:

The following summary indicates the performance of the investments of the Company from the date of commencement of business.

November 30, 1960—Net asset value of 1 Class "A" share	\$1.52
November 30, 1961—Net asset value of 1 Class "A" share	2.26
November 30, 1962—Net asset value of 1 Class "A" share	2.14
November 30, 1963—Net asset value of 1 Class "A" share	2.38
November 30, 1964—Net asset value of 1 Class "A" share	2.87
November 30, 1965—Net asset value of 1 Class "A" share	3.28
November 30, 1966—Net asset value of 1 Class "A" share	3.14

The above recorded net asset values were achieved during periods of generally rising market prices. Future increases in the net asset value cannot be guaranteed.

ANNUAL REPORT FOR YEAR ENDED NOVEMBER 30th, 1966

The twelve months ended November 30th, 1966 saw a further growth in the asset value of your Fund which increased to \$4,865,415 in spite of a decline in the value of the shares from \$3.28 last year to \$3.14 at this year end, being a decline of 4.2%.

The decline in your shares has been held to reasonable proportions by comparison with widely accepted yardsticks of stock values such as the Dow Jones Industrial Average and The Toronto Stock Exchange Industrial Average.

During the same period the Dow Jones Index declined 16.4% while The Toronto Stock Exchange Index showed a decline of 12.4% from November 30th, 1965 to November 30th, 1966.

The past twelve months have seen rather wide extremes, Dow Jones Industrial Average having risen to approximately 1,000 and also having sold as low as 735 as against a November 30th level of 791.59.

Your management had been anticipating some form of reaction to the very sharp rise in the Market in the previous eighteen months and had therefore established a sizable defensive position prior to the decline. This was in the form of short term Government of Canada Bonds and bonds convertible into common stock, which helped to protect the Fund from extreme fluctuations in the Market.

At this time last year, defensive holdings such as described above comprised 18.8% of the portfolio. This was gradually increased during the year to its present defensive content of 48.8%.

Tight money was the principal reason for the Stock Market's rather poor performance during 1966. While money conditions were the tightest seen in over 40 years, there are signs of easing in this respect, which may be helpful to the Market in the next few months. These conditions have provided the best opportunities for the purchase of common stocks in many months.

The income of your Fund has naturally grown with its size, but also has grown because of increased dividend payments and high yields received from your defensive holdings. Net income for the Fund during the 1965 fiscal year was \$23,052. This has increased to \$73,913 for the 1966 fiscal year. When the paid-in income is added to

the net income, this makes available for dividends an amount sufficient to increase the annual dividend by 66% to 5¢ versus 3¢ per share in the past fiscal year. The annual dividend will be paid in the first quarter of our new fiscal year.

Due to our substantial investment in bonds, income taxes paid this year will amount to \$23,554 as opposed to \$4,821 last year. (Overall expenses increased during the year by approximately 52% as against a growth in gross income of 137%.)

Your management continues to feel we should seek investments which will gain in earning power as capital values will follow in the wake of earnings gains.

Your management has again demonstrated in 1966 as it did in 1962 its awareness of the availability of Bonds as a temporary source of income and haven for capital, in declining markets.

In the uncertain rhythm of economic cycles, common stock levels tend to rise after substantial declines such as the one which we experienced in the past twelve months, even though some considerable time may elapse before new highs are seen.

In this connection we would point out that at present your shares stand 8% below their all-time high compared to declines of 21% for the Dow Jones Industrial Average and 22% for The Toronto Stock Exchange Industrial Index, from their respective highs.

ANDREAE EQUITY INVESTMENT
FUND LIMITED

(sgd.) H. C. Andreae,
President.

AUDITORS' REPORT

To the Shareholders of

ANDREAE EQUITY INVESTMENT FUND LIMITED:

We have examined the financial statements of Andreae Equity Investment Fund Limited as at November 30, 1966 and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances, including confirmation of the cash and securities owned at November 30, 1966 by correspondence with the depositaries.

In our opinion, the accompanying statements of financial position, surplus accounts, changes in net assets and income and expenses present fairly the financial position of the company as at November 30, 1966 and the results of its operations for the year ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto, Ontario
December 16, 1966

(sgd.) Price Waterhouse & Co.,
Chartered Accountants.

ANDREAE EQUITY INVESTMENT FUND LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT NOVEMBER 30, 1966

Assets:

Accounts receivable—

For security sales.....	\$ 60,030	
For shares of the Fund sold.....	42,187	
Interest accrued and dividends receivable.....	35,533	
Investments in marketable securities valued on the basis of market quotations (average cost \$4,632,816).....	4,784,701	\$4,922,451

Liabilities:

Bank overdraft.....	9,391	
Accounts payable for security purchases.....	16,538	
Other accounts payable and accrued liabilities.....	13,922	
Income taxes payable.....	17,185	57,036
Net assets at market value.....		\$4,865,415
Net asset value per share.....		\$ 3.14

Represented by:

Capital stock and surplus:

Capital stock—

Class "A" non-voting shares with a par value of 20 cents each, redeemable at the shareholders' request at the liquidating value thereof to the extent that there is capital redemption reserve available for such purposes—

Authorized—6,180,780 shares (total shares authorized less 318,220 shares redeemed to date)

Issued—1,537,480 shares (during the year 678,660 shares were issued for cash and 87,708 shares were redeemed)..... \$ 307,496

Subscribed for but unissued—13,582 shares..... 2,716

Common shares with a par value of 20 cents each—

Authorized—725,000 shares

Issued—30 shares..... 6 \$ 310,218

Surplus, per statement attached—

Contributed surplus—

Capital redemption reserve..... 4,070,690

Paid-in income..... 11,537

Reserve for reinvestment (net realized gain on sale of investments)..... 238,907

Earned surplus..... 82,178

Unrealized appreciation in value of investments..... 151,885 4,555,197

\$4,865,415

APPROVED ON BEHALF OF THE BOARD:

(sgd.) H. C. Andreae, Director

(sgd.) G. H. Craig, Director

ANDREAE EQUITY INVESTMENT FUND LIMITED
STATEMENT OF SURPLUS ACCOUNTS
FOR THE YEAR ENDED NOVEMBER 30, 1966

Contributed surplus—

	Capital redemption reserve	Paid-in income
Balance November 30, 1965.....	\$2,233,431	\$ 10,081
Add—Portion of proceeds on issue of Class "A" shares during the year.....	2,100,273	16,340
	4,333,704	26,421
Deduct:		
Portion of amount paid or credited to shareholders on redemption of Class "A" shares during the year.....	263,014	2,267
Amount transferred to earned surplus.....	—	12,617
	263,014	14,884
Balance November 30, 1966.....	<u>\$4,070,690</u>	<u>\$ 11,537</u>

Reserve for reinvestment—

Balance November 30, 1965.....	\$184,513
Net realized gain on sale of investments during the year.....	54,394
Balance November 30, 1966.....	<u>\$238,907</u>

Earned surplus—

Balance November 30, 1965.....	\$ 26,580
Add—Net income for the year, per statement attached.....	73,913
	100,493
Deduct:	
Dividends paid.....	\$ 30,932
Less—Amount transferred from paid-in income account.....	12,617
	18,315
Balance November 30, 1966.....	<u>\$ 82,178</u>

Unrealized appreciation in value of investments—

Balance November 30, 1965.....	\$456,427
Less—Decrease in unrealized appreciation in value of investments.....	304,542
Balance November 30, 1966.....	<u>\$151,885</u>

ANDREAE EQUITY INVESTMENT FUND LIMITED
STATEMENTS OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED NOVEMBER 30, 1966

Net assets at November 30, 1965.....	\$3,100,344
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Add:

Proceeds of Class "A" shares subscribed for credited to the following accounts—

Class "A" share capital.....	\$ 138,448
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Contributed surplus—

Capital redemption reserve.....	2,100,273
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Paid-in income.....	16,340
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Net income for the year.....	73,913
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Net realized gain on sale of investments.....	54,394	2,383,368
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	54,394	2,383,368
	5,483,712	

Deduct:

Amount paid or credited to shareholders on redemption of Class "A" shares, charged to the following accounts—

Class "A" share capital.....	17,542
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Contributed surplus—

Capital redemption reserve.....	263,014
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Paid-in income.....	2,267
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Dividends paid.....	30,932
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Decrease in unrealized appreciation in value of investments.....	304,542	618,297
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	304,542	618,297
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Net assets at November 30, 1966.....	\$4,865,415
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ANDREAE EQUITY INVESTMENT FUND LIMITED
STATEMENT OF INCOME AND EXPENSES
FOR THE YEAR ENDED NOVEMBER 30, 1966

Income:

Dividends.....	\$73,758	
Interest.....	79,970	
		<u>\$153,728</u>

Expenses:

Audit fees.....	2,500	
Bank charges and interest.....	2,377	
Investment management fees.....	21,622	
Legal fees.....	6,636	
Office expenses.....	4,598	
Registration and filing fees.....	745	
Stationery and printing.....	6,138	
Trust company fees.....	11,645	56,261
Income before provision for income taxes.....		<u>97,467</u>
Foreign withholding taxes.....	7,554	
Provision for Canadian income taxes.....	16,000	23,554
Net income for the year.....		<u><u>\$ 73,913</u></u>

AUDITORS' REPORT

To the Directors of

Andreae Equity Investment Fund Limited:

We have examined the statement of income and expenses and net realized gain on sale of investments of Andreae Equity Investment Fund Limited (formerly Andreae-Cole Fund Limited) for the seven fiscal periods ended November 30, 1966 as set forth on Page 8 and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, the accompanying statement of income and expenses and net realized gain on sale of investments presents fairly the net income of the company and the net realized gain on sale of investments for the fiscal periods indicated, in accordance with generally accepted accounting principles applied on a consistent basis.

Toronto, Ontario
December 16, 1966

(sgd.) Price Waterhouse & Co.,
Chartered Accountants.

ANDREAE EQUITY INVESTMENT FUND LIMITED
STATEMENT OF INCOME AND EXPENSES
AND NET REALIZED GAIN ON SALE OF INVESTMENTS
FOR THE PERIOD FROM INCORPORATION ON AUGUST 23, 1960
TO NOVEMBER 30, 1966

Income and expenses:	Year ended November 30						From incorpora- tion on August 23, 1960 to November 30, 1960
	1966	1965	1964	1963	1962	1961	
Income—							
Dividends.....	\$ 73,758	47,146	33,592	18,528	8,386	2,759	77
Interest.....	79,970	17,685	5,480	6,990	6,885	303	91
	153,728	64,831	39,072	25,518	15,271	3,062	168
Expenses—							
Audit fees.....	2,500	3,148	1,795	1,330	750	450	—
Bank charges and interest.....	2,377	471	45	1,055	850	401	32
Investment management fees.....	21,622	12,109	12,456	9,692	5,092	—	—
Legal fees.....	6,636	8,790	4,082	4,137	370	—	—
Office expenses.....	4,598	—	—	—	—	—	—
Registration, filing and transfer fees....	745	795	522	716	445	351	—
Stationery and printing.....	6,138	3,195	1,018	1,248	411	—	—
Supplementary letters patent fees.....	—	—	879	285	—	—	—
Trust company fees.....	11,645	8,450	3,828	—	—	—	—
	56,261	36,958	24,625	18,463	7,918	1,202	32
Income before provision for income taxes..	97,467	27,873	14,447	7,055	7,353	1,860	136
Foreign withholding taxes.....	7,554	3,334	2,670	1,227	536	115	—
Provision for Canadian income taxes.....	16,000	1,487	261	205	1,050	110	30
	23,554	4,821	2,931	1,432	1,586	225	30
Net income for the year.....	\$ 73,913	23,052	11,516	5,623	5,767	1,635	106
Net realized gain on sale of investments:							
Net realized gain on sale of investments dur- ing the period, transferred to reserve for reinvestment.....	\$ 54,394	91,310	62,200	11,866	323	19,507	(693)

ANDREAE EQUITY INVESTMENT FUND LIMITED

STATEMENT OF INVESTMENTS HELD

AS AT NOVEMBER 30, 1966

COMMON STOCKS—FINANCIAL AND INDUSTRIAL

	Number of shares	Average Cost	Value based on market quotations*
Banks and trust companies			
Bank of Nova Scotia.....	700	\$ 50,418	\$ 43,225
Canadian Imperial Bank of Commerce	800	50,778	46,500
Canada Permanent Mortgage Corporation...	5,000	78,850	50,625
		180,046	140,350
Insurance and finance			
Industrial Acceptance Corporation Limited..	3,500	85,566	77,438
The Investors Group—Class "A".....	4,000	49,176	37,000
		134,742	114,438
Public utilities and pipelines			
Bell Telephone Company of Canada.....	1,000	46,138	46,000
Interprovincial Pipe Line Company.....	400	33,572	33,300
		79,710	79,300
Food and beverages			
Molson Breweries Limited—Class "A".....	2,000	32,831	37,000
Oshawa Wholesale Limited—Class "A".....	3,000	27,055	73,500
Procter and Gamble Company.....	600	47,732	47,738
		107,618	158,238
Business forms and equipment			
International Business Machines Corporation	300	91,426	122,106
Moore Corporation Limited.....	1,200	72,525	105,000
		163,951	227,106
Publishing and communications			
Capital Cities Broadcasting Corporation....	2,000	28,757	64,409
Maclean-Hunter Publishing Company Limited	1,600	57,453	48,800
		86,210	113,209
Chemicals			
Merck & Co., Inc.....	1,000	60,704	85,517
Capital goods			
Cenco Instruments Corporation.....	1,000	34,550	39,511
Cutter Laboratories Inc.....	2,000	60,178	61,973
Dominion Foundries and Steel, Limited....	1,100	30,404	19,800
Eastman Kodak Company.....	600	83,731	78,508
Goodyear Tire & Rubber Company.....	1,500	76,646	67,183
Polaroid Corporation.....	400	63,900	71,770
		349,409	338,745
Transportation			
Canadian Pacific Railway Company.....	1,800	68,902	98,100
The Pennsylvania Railroad Company.....	1,500	42,139	84,841
United Air Lines, Inc.....	500	24,157	31,257
		135,198	214,198

	Number of Shares	Average Cost	Value based on market quotations*
Miscellaneous			
Power Corporation of Canada Limited.....	4,300	37,300	41,387
COMMON STOCKS—NATURAL RESOURCES			
Oil, gas pipelines and electrical power			
The British American Oil Company Limited.	3,000	95,613	91,500
Continental Oil Company.....	1,000	68,800	77,128
Detroit Edison Company.....	1,000	34,210	35,452
The Kansas Power and Light Company.....	1,000	24,593	23,544
Northern and Central Gas Company Limited	4,000	44,938	52,500
Royal Dutch Petroleum Company.....	2,000	86,578	75,234
Southwest Gas Corporation.....	3,000	76,727	64,138
Standard Oil Company (New Jersey).....	1,000	89,133	69,551
Texaco Incorporated.....	500	36,439	39,849
United Gas Corporation.....	1,500	74,757	85,856
Westcoast Transmission Company Limited..	2,000	57,075	48,500
		688,863	663,252
Metals and mining			
Alcan Aluminium Limited	2,000	84,525	55,750
International Nickel Company of Canada Limited	1,200	111,309	107,550
Mattagami Lake Mines Limited.....	1,000	14,925	13,000
		210,759	176,300
Total common stocks		\$2,234,510	\$2,352,040
PREFERRED STOCKS—			
Home Oil Company Limited—Class “A”....	5,000	92,675	112,500
Total stocks		\$2,327,185	\$2,464,540
	Par value of bonds	Average Cost	Value based on market quotations*
BONDS			
Government of Canada			
Government of Canada—			
5% due October 1, 1968.....	\$ 285,000	\$ 283,907	\$ 281,153
5¾% due October 1, 1969.....	1,000,000	996,250	998,000
		1,280,157	1,279,153
Guaranteed Investment Certificate			
International Trust Company—			
5¾% due August 31, 1967.....	220,000	220,000	220,000
Corporate			
Aluminium Company of America—			
5¼% convertible subordinated debentures due September 15, 1991.....	50,000	54,522	61,161

	<u>Par value of bonds</u>	<u>Average Cost</u>	<u>Value based on market quotations*</u>
The Boeing Company—			
5½% convertible subordinated debentures due September 1, 1991.....	50,000	56,056	65,626
The Bristol-Myers International Finance Company—			
4½% guaranteed convertible debentures due December 31, 1980.....	50,000	54,675	59,402
Burlington Industries Inc.—			
5% convertible subordinated debentures due September 15, 1991.....	50,000	56,068	53,178
Cenco Instruments Corporation—			
5¼% convertible subordinated debentures due September 1, 1986.....	100,000	107,813	121,781
General Electric Overseas Capital Corporation—			
4¼% convertible debentures due December 1, 1985.....	100,000	107,782	106,356
International Minerals & Chemical Corporation—			
4% convertible subordinated debentures due January 1, 1991.....	40,000	43,924	37,996
Marathon International Finance Company—			
4½% guaranteed convertible sinking fund debenture, due March 1, 1986.....	125,000	134,617	134,974
PepsiCo Overseas Corporation—			
4½% convertible guaranteed debenture due March 1, 1981.....	70,000	75,447	72,365
Reynolds Metals Company—			
4½% convertible subordinated debentures due March 1, 1991.....	60,000	71,496	65,031
Warner-Lambert International Capital Corporation—			
4¼% convertible guaranteed debenture due March 1, 1981.....	40,000	43,074	43,138
		<u>805,474</u>	<u>821,008</u>
Total bonds.....		<u>2,305,631</u>	<u>2,320,161</u>
TOTAL INVESTMENTS.....		<u>\$4,632,816</u>	<u>\$4,784,701</u>

*Market values are based on quotations at the close of business on Wednesday, November 30, 1966 converted, in the case of foreign securities, at the rate of exchange prevailing on that date.

To the Shareholders of

Andreae Equity Investment Fund Limited:

In our opinion, the statement of investments held as at November 30, 1966 fairly presents the information it purports to show.

Toronto, Ontario
December 16, 1966

(sgd.) Price Waterhouse & Co.,
Chartered Accountants.

STATUTORY INFORMATION:

1. The full name of the Company is Andrae Equity Investment Fund Limited, (herein called the "Company"). The address of the head office of the Company is 55 Yonge Street, Toronto 1, Ontario.

2. The Company was incorporated as an investment company by Letters Patent dated August 23, 1960 under The Corporations Act of Ontario. The Company obtained Supplementary Letters Patent dated August 15, 1963 and August 24, 1964, the latter providing for the variation of the preferences, rights, conditions, restrictions, limitations and prohibitions attaching to the Class "A" shares.

3. The general nature of the business actually transacted by the Company is operating as an open-end investment company and investing its assets in securities. There are no restrictions on investments imposed on the Company by its Letters Patent. However, the Board of Directors has laid down the following general rules to guide the Company's investment policy:

1. In the purchase of securities, first consideration shall be given to growth of capital with due regard to safety of principal and income;
2. Not more than 10% of the assets of the Company may at any time be invested in one security with the exception of government securities; and
3. All securities other than government securities purchased by the Company shall be listed on recognized stock exchanges provided that the Company may purchase securities not so listed up to a maximum of 20% of the assets of the Company and may also purchase securities not so listed in excess of 20% of the assets of the Company with approval of the Board of Directors.

In addition to the foregoing, the Company is prohibited from:

- (a) Investing in securities of any issuer if such purchase at the time thereof would cause more than 10% of the voting securities of such issuer to be held by the Company;
- (b) Investing more than 25% of the Company's total assets (taken at market value at time of purchase) in companies comprising any industry;
- (c) Purchasing shares of an open-end Mutual Fund except where (i) the Fund whose shares are being acquired has similar general investment aims as

the Company; (ii) the Fund whose shares are being acquired has complied with the requirements of any of the regulatory bodies having jurisdiction over the sale of the securities being offered by the Company; (iii) the shares of the Fund being acquired are purchased at the net asset value thereof; and (iv) only one management fee is charged during the period the shares of the other Fund are held;

- (d) Purchasing securities on margin or effecting short sales;
- (e) Purchasing securities which are the object of an initial sale and distribution, unless said securities may be lawfully sold in (a) the jurisdiction in which the Company is registered, and/or (b) the jurisdiction in which the issuer is situate;
- (f) Underwriting or participating in the marketing of securities of any other company;
- (g) Borrowing money except under certain exceptional circumstances or for redemption of shares. Such loans in any event, shall never exceed 5% of the Company's total assets (at market value at time of borrowing);
- (h) Making or granting any loan to any officer or director of the Company, its manager or its sales organization;
- (i) Investing in the securities of any security issuer in which a director, officer or employee of the Company or its Manager has an interest, direct or indirect, unless such director, officer or employee discloses his interest immediately;
- (j) Purchasing securities other than through normal public market facilities, except under certain exceptional circumstances, and the purchase price must approximate the prevailing market price or be negotiated on an arm's length basis;
- (k) Investing in securities which would result in or require an additional contribution or unlimited participation of the Company in the debt of the issuer of such securities;
- (l) Purchasing or selling commodities or commodity contracts; and
- (m) Investing in mortgages or real estate.

4. The names in full, present occupations and home addresses in full, of the Directors and Officers of the Company are as follows:

***Herbert Christopher Andreae**, Director and President, Executive, 38 Dunvegan Road, Toronto 7, Ontario.

James Walton Bennett, Director and Vice-President, Investment Counsel; 69 Lonsdale Road, Toronto 7, Ontario.

***George Frederick Bain**, Director, Executive; 72 Cox Drive, Oakville, Ontario.

Dalton Kingsley Camp, Director, Executive; 153 Nipigon, Toronto, Ontario.

***George Harold Craig**, Director, Chartered Accountant; 23 Tullis Drive, Toronto 7, Ontario.

***Robert Harold Grasley**, Secretary, Sales Executive, 34 Leith Hill Road, Apt. 918, Willowdale, Ontario.

Robert Louis Hoguet, Jr., Director, Banker; 1088 Park Avenue, New York, New York.

Robert Parker MacFadden, Director, Banker; 770 Park Avenue, New York, New York.

Herbert Ronald Patterson, Q.C., Director, Barrister and Solicitor; 85 Wanless Crescent, Toronto 12, Ontario.

***Laurence Melville Savage**, Director and Chairman of the Board, Executive; R.R. No. 4, Galt, Ontario.

***Norman Roger Walker**, Treasurer and Assistant Secretary, Accountant; 120 Moore Avenue, Toronto 7, Ontario.

***also directors and/or officers of the Manager.**

5. Pursuant to the terms of an agreement dated as of the 10th day of November, 1965, the Company has retained the services of International Fund Distributors Limited (herein sometimes called the "Manager"), Toronto, Ontario, to act as investment advisor to the Company and to manage the assets of the Company, including the selection, purchase, sale and continuous supervision of the securities of the Company. The said agreement will continue in force from year to year until either party gives notice of termination in writing to the other party at least 30 days prior to the expiration of this prospectus or any renewal thereof.

The Company contributes \$500.00 per month to the Manager towards the cost of office space, personnel and facilities provided by the Manager for the benefit of the Company. The Manager at its own expense, supplies all additional required office space, personnel and facilities necessary for the business of the Company and will keep the accounts of the Company and is entitled to receive for such services at the end of each quarter, a fee of $\frac{1}{8}$ th of 1% of the net asset value of the Company at the end of each such fiscal quarter.

The names and home addresses in full of the Directors and Officers of the Manager together with their present occupation, directorships and business experience for the preceding five years, are as follows:

Herbert Christopher Andreae, Executive, 38 Dunvegan Road, Toronto, Ontario. Director and President, Andreae Equity Investment Fund Limited; Director and Vice-Chairman, International Trust Company; Director and President, International Fund Distributors Limited; Director, Canadian Industrial Gas & Oil Ltd.; Director, Debenture & Securities Corporation Limited. For the past five years, President and Director, H. C. Andreae & Company Limited.

George Frederick Bain, Executive, 72 Cox Drive, Oakville, Ontario. Director, International Fund Distributors Limited; Director, Andreae Equity Investment Fund Limited. For the past five years, Economist, Upper Lakes Shipping Limited, 417 Queen's Quay West, Toronto, Ontario.

Laurence Melville Savage, Executive, R.R. #4, Galt, Ontario. Director and Vice-President, Canada Permanent Mortgage Corporation, and Canada Permanent Trust Company; Director, a chartered Canadian Bank; Director and Chairman, Andreae Equity Investment Fund Limited; Director and Vice-President, International Fund Distributors Limited; Director, Dominion of Canada General Insurance Company; Director, Union Gas Company of Canada Limited. For the past five years, President, Chief Executive Officer and Chairman of the Board, Savage Shoes Limited.

George Harold Craig, Chartered Accountant, 23 Tullis Drive, Toronto 7, Ontario. Director, International Fund Distributors Limited; Director, Andreae Equity Investment Fund Limited. For the past five years, partner, Craig, Norman & Co.

Robert Harold Grasley, Sales Executive, 34 Leith Hill Road, Apartment 918, Willowdale, Ontario, Secretary, Andreae Equity Investment Fund Limited; Vice-President and General Manager, International Fund Distributors Limited. For the past year, Region Manager, Provident Investment Company; for the year prior thereto, Executive, Kippen & Co. Limited, Montreal; for the year prior thereto, Manager, Canadian Security Underwriters Limited; for the two years prior thereto, Manager, Investors Syndicate Canada Limited.

Kenneth Garnett Tatlow, Executive, 400 Walmer Road, Apartment 1902, Toronto 10, Ontario. Vice-President, International Fund Distributors Limited. For the past five years, Sales Representative, Canadian Business Service, Vancouver, British Columbia.

Norman Roger Walker, Accountant, 120 Moore Avenue, Toronto 7, Ontario. Treasurer and Assistant Secretary, Andreae Equity Investment Fund Limited; Secretary-Treasurer, International Fund Distributors Limited. For approximately the past year, Trust Officer, International Trust Company, Toronto; for the three years prior thereto, Accountant, Lafferty, Harwood and Company, Montreal; for the year prior thereto, Security Analyst, C. J. Hodgson and Company Limited, Montreal.

The Manager takes advice upon American securities from the Directors of the International Trust Company, a wholly owned subsidiary of International Banking Corporation which in turn is wholly owned by First National City Bank, New York. These advisors do not comprise a formal committee as their function is purely advisory and all investment decisions are made by the Manager. The above-mentioned advisors are entitled to 1/5th of the management fee for such services.

The names and addresses of the Directors of International Trust Company, together with their present occupations and business experience for the preceding five years are as follows:

James Stillman Rockefeller, Banker, Indian Spring Road, Greenwich, Connecticut. Chairman, First National City Bank, 399 Park Avenue, New York; Director, National Cash Register Company; Director Pan American World Airways.

Herbert Christopher Andreae, Executive, 38 Dunvegan Road, Toronto, Ontario. Vice Chairman,

International Trust Company, 1015 Beaver Hall Hill, Montreal.

Robert Louis Hogue, Jr., Banker, 1088 Park Avenue, New York 10028, New York. President, International Trust Company; Director, Anaconda American Brass Company.

Stewart Burnett Clifford, Banker, 608 Argyle Avenue, Westmount, Quebec—Oct. 3/63. Previously, 1 East End Avenue, New York. Vice-President, International Trust Company; General Manager and Executive Vice-President, The Mercantile Bank of Canada.

Gardner Stevens Lynch, Banker, 1509 Sherbrooke Street, West, Montreal 25, Quebec—Feb. /62. Previously, 570 Milton Street West, Montreal, Quebec. Secretary, The Mercantile Bank of Canada.

John Price Sinclair MacKenzie, Executive, 454 Elm Avenue, Westmount, P.Q. Investment Counsellor; Partner, Fullerton, MacKenzie & Associates.

Hulbert W. Tripp, Banker, 1 Parson's Lane, Rochester, New York. Director, First National City Bank; Director, Xerox Corporation.

William Struan Robertson, Q.C., 103 Crescent Road, Toronto, Queen's Counsel; Member of firm of Borden, Elliot, Kelley & Palmer.

Francois Mercier, Q.C., 143 Balfour Avenue, Town of Mount Royal, Quebec. Queen's Counsel; Member of firm, Stikeman, Elliott, Tamaki, Mercier & Turner; Director, Citroën of Canada Limited.

Robert Parker MacFadden, Banker, 770 Park Avenue, New York, New York. President, The Mercantile Bank of Canada.

6. The auditors of the Company are Price Waterhouse & Co., 55 Yonge Street, Toronto 1, Ontario.

7. Canada Permanent Trust Company at its offices in Toronto, Ontario; Montreal, Quebec and Vancouver, British Columbia, is Registrar and Transfer Agent of the Class "A" shares of the Fund.

8. The authorized capital of the Company is divided into Class "A" shares, with a par value of 20 cents each (herein called the "Class "A" shares") and common shares with a par value of 20 cents each. As at the 30th day of November, 1966, the authorized capital consisted of 6,180,780 Class "A" shares and 725,000 common shares. As at the 30th day of November, 1966, 1,537,480

Class "A" shares had been issued and are outstanding as fully paid and non-assessable.

In addition, 30 of the common shares have been issued and are outstanding as fully paid and non-assessable.

9. The Class "A" shares of the Company are the only shares of the Company offered for sale to the public. The Class "A" shares and common shares have attached thereto the preferences, rights, conditions, restrictions, limitations and prohibitions hereinafter set forth:

- (1) Each holder of the said Class "A" shares shall be entitled at any time to require the Company to the extent that the Company has capital redemption reserve available for such purposes and out of such reserve, as hereinafter provided, to redeem all or any part of the Class "A" shares registered in the name of such holder upon the books of the Company at the liquidating value of such shares; each holder of the said Class "A" shares requiring the Company to redeem all or any part of such Class "A" shares shall present the certificate or certificates therefor, duly endorsed or accompanied by a proper instrument of transfer, either at the office of the custodian of the Company's assets or such other office or agency (if any) as may be designated from time to time for the purpose by the Board of Directors of the Company or at the head office of the Company; the method of computing such liquidating value, the time as of which such liquidating value shall be computed, and the time of payment therefor shall be determined as hereinafter provided;
- (2) In the event of the liquidation, dissolution or winding up of the Company, whether voluntary or involuntary, the holders of the Class "A" shares shall be entitled to receive, before any distribution of any part of the assets of the Company among the holders of the common shares, the par value of the Class "A" shares; thereafter the holders of the common shares shall be entitled to receive the par value of the common shares; and thereafter the holders of the Class "A" shares and common shares shall rank equally share for share in any remaining assets of the Company;
- (3) The common shares shall not be subject to redemption but in all other respects the common shares shall rank equally with the said Class "A" shares with the exceptions of
 - (i) the preference in favour of the Class "A" shares in the event of the liquidation, dissolution or winding up of the Company, and
 - (ii) the restriction on the voting rights of the Class "A" shares herein provided;
- (4) The subscription price of shares of the Company shall be the net asset value thereof as at the close of business on the last business day on which the Toronto Stock Exchange is open preceding the day of receipt of a subscription therefor determined and computed in the same manner as the liquidating value is determined and computed pursuant to subclause (b) of clause (5) herein; all moneys received by the Company as the subscription price for its shares over and above the par value of 20 cents for each such share shall be added to and form part of the capital redemption reserve, except that amount equivalent to the per share amount of net earned income as at the time of determining and computing the subscription price therefor as aforesaid, which amount shall be added to and form part of the paid-in income account;
- (5)
 - (a) The liquidating value of each share of the said Class "A" shares presented to the Company for redemption as aforesaid shall be determined as at the close of business on the day of presentation of such share or shares to the Company for redemption, providing that the Toronto Stock Exchange is open and if the Toronto Stock Exchange is not open on such day of presentation it shall be determined as at the close of business on the next business day on which the Toronto Stock Exchange is open following the day of presentation of such share or shares for redemption;
 - (b) The liquidating value of each share of the said Class "A" shares of the Company as of any particular time shall be the quotient obtained by dividing the value as at such time of the net assets of the Company (that is the value of the assets of the Company less its liabilities, exclusive of shareholders' equity represented by paid-up capital and the balances of surplus and income accounts) by the total number of shares of the Company of both classes outstanding at such time, all determined and computed as follows:

A. The assets of the Company shall be deemed to include:

- (a) all cash on hand, on deposit or on call;
- (b) all bills and notes and accounts receivable;
- (c) all shares and subscription rights and other securities owned or contracted for by the Company other than its own shares;
- (d) all stock and cash dividends and cash distribution to be received by the Company and not yet received by it but declared to shareholders of record on a date on or before the date as of which net liquidating value is being determined;
- (e) all interest accrued on any fixed interest bearing securities owned by the Company; and
- (f) all other property of every kind and nature, including prepaid expenses;

The value of such assets to be determined as follows:

- (I) The value of any cash on hand, on deposit or on call, bills and notes and accounts receivable, prepaid expenses, cash dividends and accrued interest declared or accrued as aforesaid and not yet received shall be deemed to be the face amount thereof, unless the Board of Directors shall have determined that any such deposit, call loan, bill, note or account receivable is not worth the face amount thereof, in which event the value thereof shall be deemed to be such value as the Board of Directors shall deem to be the reasonable value thereof;
- (II) The value of any share of stock, bond, subscription, right or other security which shall be dealt in upon a recognized public stock exchange shall be determined by the closing sale price and in the case of securities that did not

trade the average between the closing asked and bid price therefor, on the date on which such value is being determined, all as reported by any report in common use or authorized as official by a recognized public stock exchange;

- (III) The value of any share of stock, bond, subscription, right or other security which shall not be listed or dealt with in or on any exchange shall be determined as nearly as may be in the manner described in the next preceding subparagraph, except that there may be used for the purpose of determining the sale price or the asked and bid prices any published quotations in common use which may be available; and
- (IV) In the case of any security or property for which no price quotations are available as above provided, the value thereof shall be determined from time to time by the Board of Directors in such manner as they shall deem appropriate;

B. The liabilities of the Company shall be deemed to include:

- (a) all bills and notes and accounts payable;
- (b) all administrative expenses payable and/or accrued (including management fees);
- (c) all contractual obligations for the payment of money or property, including the amount of any unpaid dividend declared on the Company's shares and payable to shareholders of record on the date as of which the value of the Company's shares is being determined;
- (d) all allowances authorized or approved by the Board of Directors for taxes or contingencies; and
- (e) all other liabilities of the Company of whatsoever kind and nature except

liabilities represented by outstanding shares and surplus of the Company;

C. For the purpose hereof:

- (i) shares of any class of the Company subscribed for shall be deemed to be outstanding as of the time of acceptance of any subscription and the entry thereof upon the books of the Company and the amount received or receivable by the Company therefor shall be deemed to be an asset of the Company and
 - (ii) Class "A" shares presented for redemption by the Company shall be deemed to be outstanding until the close of business on the date as of which the liquidating value thereof is being determined, and thereupon until paid the redemption price thereof shall be deemed to be a liability of the Company;
- (6) Payment of the liquidating value of such Class "A" shares of the Company tendered to it for redemption as aforesaid shall (subject to the provisions of the next succeeding clause) be made by the Company to the extent that the Company will have any reserve available for such purpose as aforesaid, and out of such reserve within five (5) business days after the liquidating date as of which such shares are being redeemed, the actual amount so paid to be debited to the capital account to the extent of the par value of such shares and the remainder of such amount to be debited to the capital redemption reserve and the income accounts of the Company in the proportion which these accounts bear to the number of shares of all classes outstanding at the date of redemption;
- (7) If as of any liquidating date the requests for redemption of Class "A" shares are in excess of the reserve available for such purposes, redemption shall be on a pro rata basis on the shareholdings so tendered for redemption; no shares shall be redeemed if the effect is to render the Company insolvent; every shareholder so tendering shares for redemption shall have redeemed by the Company the same percentage of shares so tendered for redemption as every other shareholder tendering shares for redemption as of such liquidating date;
- (8) The holders of Class "A" shares, as such, shall be entitled only to receive notice of and to attend any annual meeting of shareholders of the Company and any special general meeting of shareholders of the Company called for the purpose of authorizing the dissolution of the Company or the sale of its undertaking or a substantial part thereof but shall not be entitled to any vote at any such meeting, provided that if the Company at any time, or from time to time, shall be in default, as herein defined, in the redemption of any Class "A" share, the holders of Class "A" shares shall be entitled to receive notice of and to attend any meetings of shareholders of the Company and shall be entitled to one (1) vote in respect of each Class "A" share held at any such meeting so long as such default continues; such default shall be deemed to have occurred if the Company
- (a) becomes insolvent, or
 - (b) has insufficient reserve available to effect redemption at the time any Class "A" share or shares are tendered to it for redemption, or
 - (c) fails to add to the capital redemption reserve and paid-in income account as required herein moneys received by the Company as subscription for its shares;

Notwithstanding anything contained in the by-laws of the Company, the term of office of all persons who may be Directors of the Company at any time when voting rights shall accrue to the Class "A" shares as herein provided, or who may be appointed as Directors after such rights shall have accrued and before a meeting of shareholders shall have been held, shall terminate at the annual meeting of shareholders next following at which Directors are elected or at any special general meeting of shareholders called for the purpose of electing Directors which may be held at any time after the accrual of such rights upon not less than ten (10) days' written notice (excluding both the day of mailing and the day of the meeting) and shall be called by the Secretary of the Company upon the written request of the holders of at least five per cent (5%) of the outstanding Class "A" shares or in default of the calling of such special general meeting by the Secretary within five (5) days after the making of such request, such meeting may be called by

any holder of Class "A" shares;

Notwithstanding anything contained in the by-laws of the Company, upon any termination of the voting rights of the Class "A" shares as herein provided, the term of office of all persons who may then be Directors of the Company or who may be appointed as Directors after such termination and before a meeting of the shareholders shall have been held shall terminate at the annual meeting of the shareholders next following at which Directors are elected or at any special general meeting of shareholders called for the purpose of electing Directors which may be held at any time after such termination of such rights upon not less than ten (10) days' written notice (excluding both the day of mailing and the day of the meeting) and shall be called by the Secretary of the Company upon the written request of the holders of at least five per cent (5%) of the outstanding common shares or in default of the calling of such special general meeting by the Secretary within five (5) days after the making of such request, such meeting may be called by any holder of common shares; and

- (9) The authorization for an application for the issue of Supplementary Letters Patent to delete or vary any preference, right, condition, restriction, limitation or prohibition attaching to the Class "A" shares or to create preference shares ranking in priority to or on a parity with the Class "A" shares, in addition to the authorization by a special resolution, may be given by at least two-thirds ($\frac{2}{3}$) of the votes cast at a meeting of the holders of the Class "A" shares duly called for that purpose; the formalities to be observed with respect to the giving of notice of any such meeting, quorum, the conduct thereof and all other matters shall be those from time to time prescribed in the Letters Patent, Supplementary Letters Patent and by-laws of the Company with respect to meetings of shareholders; at any such meeting, the holders of the Class "A" shares shall be entitled to one (1) vote for each Class "A" share held.

10. The Company does not have any bonds or debentures, or other securities issued which will rank ahead of or *pari passu* with the Class "A" shares and does not propose to issue any such bonds, debentures or other securities, nor to incur any other indebtedness except as shown in paragraph 12 hereof.

11. In order to protect its liability to the public in respect of securities sold to the public, the Company has entered into a custody arrangement, evidenced by a letter dated the 12th day of December, 1966, with a Canadian chartered bank, providing for all moneys of the Company to be held in a bank account in the name of the Company and all securities owned by the Company to be held by the said bank in the name of the Company. The moneys so held may be disbursed and the securities so held may be dealt with only upon written order of the duly authorized signing officers of the Company. The charges for such custodial services are in accordance with an agreed schedule and will be approximately \$2,000 for the year ending November 30, 1967. Particulars of such schedule may be obtained upon inquiry from the Company.

12. There is no substantial indebtedness to be created or assumed by the Company which is not shown in the Statement of Financial Position of the Company as at November 30, 1966, forming part of this Prospectus, and no security has been or is to be given for any indebtedness.

13. There are no options outstanding and none are proposed to be given by the Company in respect of the sale of the Company's securities. However, the Company has entered into an agreement made as of the 16th day of September, 1965 appointing International Fund Distributors Limited, Suite 909, 55 Yonge Street, Toronto 1, Ontario, the exclusive distributor of the Company's Class "A" shares on the terms, conditions and provisos therein contained, reference to which will be found hereafter. International Fund Distributors Limited, a company incorporated under the laws of the Province of Ontario, controlled and managed by H. C. Andreae, is entitled under the terms of the said agreement for its services as a wholesale distributor to a commission of not more than $2\frac{1}{2}\%$ of the public offering price of the Company's securities. It is also entitled to act as a direct retail selling agent of such securities in the Province of Ontario and for such retailing services is entitled to charge sales commissions of not more than 6% of the public offering price of the Company's securities, such aggregate sales commission not to exceed $8\frac{1}{2}\%$ of the said public offering price and to be calculated in accordance with the schedule set out in paragraph 14 hereof.

14. The Company offers for sale to the public its unissued Class "A" shares through International Fund Distributors Limited, Suite 909, 55 Yonge Street, Toronto 1, Ontario. International Fund Distributors Limited,

pursuant to the terms of the agreement referred to in paragraph 13 hereof, as exclusive distributor of the Company's Class "A" shares, has:

- (i) arranged with investment dealers, stock brokers and others qualified to do so to participate with it in the distribution of the Class "A" shares;
- (ii) entered into selling agreements which permit retail sale of the Class "A" shares of the Company in the Province of Quebec through Investo-Plan Limited, 50 Place Cremazie, Montreal 11, Quebec, and in the Province of Nova Scotia through Maritime Fund Consultants Limited, Halifax Shopping Centre, Halifax, Nova Scotia; and
- (iii) entered into arrangements whereby the Class "A" shares of the Company may be purchased in Ontario through an Accumulation Plan administered by C.A.P. Limited, 291 Dundas Street, London, Ontario.

In addition to the arrangements as set forth herein for the distribution of the Class "A" shares of the Company, International Fund Distributors Limited is entitled pursuant to the terms of the agreement referred to in paragraph 13 hereof to act as a retail distributor of the shares in the Province of Ontario.

Each distributor of the Class "A" shares described in this paragraph is hereinafter referred to as a "Selling Agent." Each Selling Agent appointed as herein provided is appointed as an agent of International Fund Distributors Limited for the distribution of the Class "A" shares. International Fund Distributors may forego a portion of its commission of 2½% for its services as wholesale distributor referred to in paragraph 13 hereof to such a Selling Agent from time to time. Such Selling Agents are entitled for their services to a sales commission of not more than 6% of the public offering price of the said Class "A" shares. The sales commission is reduced in the case of quantity purchases of the shares in accordance with the Schedule set out hereafter.

Investo-Plan Limited is the principal Selling Agent for the Province of Quebec pursuant to the said selling agreement, dated July 21, 1964, as amended and as further amended by exchange of letters by the parties thereto, dated October 21, 1966, which is renewable on a year to year basis until 1969, on certain terms and conditions, together with a further right of first refusal thereafter. The principal Selling Agent in Quebec may appoint qualified sub-agents in the Province of Quebec. All selling expenses, including commissions allowed

to sub-agents incurred in Quebec, will be borne by the Quebec Selling Agent.

International Fund Distributors Limited has also entered into an agreement with Maritime Fund Consultants Limited, dated September 16, 1965, as amended by agreement dated November 1, 1966, by which the latter company will act as principal Selling Agent in the Province of Nova Scotia for a period of five years from the date of qualification for sale of the Class "A" shares in the Province of Nova Scotia, subject to prior termination on 30 days' notice.

International Fund Distributors Limited has entered into arrangements with C.A.P. Limited, dated February 2, 1966, whereby C.A.P. Limited makes available its investment services for the purchase of Class "A" shares of the Company through its Systematic Capital Accumulation Plan No. 120, further reference to which is made on page 23 hereof.

The sales commission on cash purchases based on the public offering price of the Class "A" shares is as follows:

Aggregate Purchase Price	Sales Commission
Less than \$ 25,000	8½%
\$ 25,000 to \$ 49,000	6 %
\$ 50,000 to \$ 99,999	5 %
\$100,000 to \$199,999	4 %
\$200,000 to \$299,999	3 %
\$300,000 to \$499,999	2 %
\$500,000 and over	maximum of 1 %

The public offering price is payable on application as provided in the Plans and Programmes referred to in this paragraph 14. The public offering price on cash sales of less than \$25,000 will be 109.29 per cent of the net asset value adjusted to the nearest cent of the Class "A" shares at the time of the sale determined in accordance with paragraph 9 of this Prospectus. Further reductions of the sales commission are indicated in the table shown above. In all cases the net amount which the Company receives after payment of sales commission will always be at least the net asset value of the Class "A" shares in effect at the time of the sale.

A purchaser may qualify to pay sales commission at the above rates by signing a letter of intent to invest a specific sum of money within two years provided that his initial investment is at least 10% of such sum. If he does not achieve his objective within the said two year period, the Custodian has the right to liquidate sufficient of his Class "A" shares to compensate for the higher

sales commission that would have been payable if a letter of intent had not been signed.

Class "A" shareholders may elect to have their dividends on Class "A" shares automatically reinvested in additional Class "A" shares, without payment of any sales commission. In addition Class "A" shareholders, subject to the provisions of the letters patent of the Company set out in paragraph 9 hereof, may at any time redeem all or any part of the Class "A" shares held by them without payment of any commission or charge on such redemption.

A holder of Class "A" shares (including a Planholder and Programme-holder) desiring to have shares redeemed by the Company may surrender the certificate or certificates properly endorsed representing such shares at the head office of the Company or at the offices of Canada Permanent Trust Company at 253 Bay Street, Toronto, Ontario, or 600 Dorchester Boulevard West, Montreal, Quebec.

A holder of Class "A" shares (including a Planholder and a Programme-holder) may transfer the whole or any specified number of Class "A" shares held by or for him to another person approved by a Selling Agent or to another type of Plan or Programme offered by such Selling Agent upon payment of a transfer fee of \$2.00 to Canada Permanent Trust Company and the payment of any required transfer tax thereon.

A Planholder or Programme-holder in respect of Class "A" shares will be charged a fee of \$2.00 by Canada Permanent Trust Company for each dishonoured cheque.

Cash Purchase: Class "A" shares of the Company may be purchased from time to time at the public offering price in any amount of not less than \$100. A share certificate of the Company with respect to such shares will be promptly delivered to the Purchaser.

Accumulation Plans: (available only in the Province of Quebec). An Accumulation Plan may be established with an initial investment as low as \$40 and subsequent investments as low as \$20. Such subsequent investments are normally made each month after the issue of the Plan. The Class "A" shares will be held by Canada Permanent Trust Company, (the "Custodian"), for the Planholder, and credited to the Planholder's account by the Custodian. All dividends payable thereon will be received by the Custodian and automatically reinvested in additional Class "A" shares for the Planholder at the then current net asset value. The Custodian will deduct from investments prior to the purchase of Class "A" shares, all sales charges, the Custodian's fee, and ad-

ministration fees shown in Table I, headed "Accumulation Plans," and will invest the balance in Class "A" shares of the Company at the net asset value of such shares (determined in accordance with paragraph 9 of this Prospectus), at the time such investment or investments are received by cash, cheque, money order or other bankable funds at the Montreal office of Canada Permanent Trust Company. The Custodian's charges shall be reduced by 50% if 6 to 11 investments are made at one time and by 75% if 12 or more investments are made at one time under an Accumulation Plan.

A Planholder may on request obtain a certificate representing Class "A" shares held for his account.

A Planholder may at any time terminate a Plan held by him. Upon such termination, the Custodian shall deliver a certificate of the Company for all Class "A" shares held under such terminated Plan to the Planholder. In the event of such termination, the Planholder will not be entitled to repayment of the sales commission or any part thereof already paid under any such Plan. The Planholder may, in lieu of receiving a certificate for all such Class "A" shares, direct that the shares held under the Plan be surrendered to the Company for redemption and in that event such shares shall be surrendered for redemption and the proceeds of redemption shall be paid to the Planholder.

Except for forfeiture of sales commission, custodian fees and administration fees, as aforesaid and payment of a liquidation fee of \$2.00 to Canada Permanent Trust Company, there is no penalty or discontinuance fee for early termination of a Plan.

In the event that the Class "A" shares of the Company are no longer available for investment for a reasonable period of time or in the event that the Planholder defaults in making any investments under the Plan for a period of one year after the same becomes due, the Selling Agent may at its option terminate the Plan by giving written notice thereof to the Planholder. After such termination the Custodian is authorized to redeem sufficient shares of the Company standing in the Planholder's account to pay all authorized deductions and to transfer all the remaining shares into the name of the Planholder and deliver a certificate for the same to the Selling Agent for delivery to the Planholder upon surrender of his Plan Certificate. In the event that the Plan is terminated because the Company's Class "A" shares are no longer available for investment, the Selling Agent will refund the sales charge deductions on investments made under the Plan to the extent that the percentage such sales

TABLE I

ACCUMULATION PLANS (available only in the Province of Quebec)										
Plan Denomination	Minimum Initial Investment	Each Subsequent Minimum Investment	Sales Commission Deduction From Minimum Initial Investment	Balance Available For Actual Investment From Minimum Initial Investment	Sales Commission Deduction From Each Of 2nd-12th Minimum Subsequent Investment	Balance Available For Actual Investment From Each Of 2nd-12th Minimum Subsequent Investment	Sales Commission Deduction From The 13th And Each Minimum Subsequent Investment	Balance Available For Actual Investment From The 13th And Each Minimum Subsequent Investment	Commission % Of The Plan Denomination	Custodian's Fee Deduction From Each Minimum Investment
PLANS REQUIRING 124 MINIMUM INVESTMENTS										
\$ 2,500	\$ 40	\$ 20	\$ 19.00	\$ 20.50	\$ 9.25	\$ 10.25	\$ 0.93	\$ 18.57	9 %	\$0.50
3,750	60	30	29.00	30.30	14.05	15.25	1.37	27.93	9 %	0.70
5,000	80	40	39.00	40.10	19.00	20.10	1.72	37.38	8.8 %	0.90
6,250	100	50	48.75	50.25	23.75	25.25	1.98	47.02	8.5 %	1.00
7,500	120	60	58.75	60.25	28.75	30.25	2.20	56.80	8.3 %	1.00
10,000	160	80	78.50	80.25	38.50	40.25	2.67	76.08	8 %	1.25
12,500	200	100	98.25	100.25	48.25	50.25	3.08	95.42	7.8 %	1.50
15,000	240	120	118.00	120.25	58.00	60.25	3.43	114.82	7.6 %	1.75
20,000	320	160	157.75	160.25	77.75	80.25	4.16	153.84	7.4 %	2.00
25,000	400	200	197.00	200.50	97.25	100.25	4.98	192.52	7.3 %	2.50
PLANS REQUIRING 125 MINIMUM INVESTMENTS										
50,000	400	400	197.00	200.50	197.25	200.25	5.65	391.85	6 %	2.50
75,000	600	600	297.00	300.50	297.25	300.25	5.65	591.85	5.6 %	2.50
100,000	800	800	397.00	400.50	397.25	400.25	5.65	791.85	5.4 %	2.50
PLANS REQUIRING 179 MINIMUM INVESTMENTS										
3,600	40	20	19.00	20.50	9.25	10.25	1.10	18.40	8.5 %	0.50
5,400	60	30	29.00	30.30	14.05	15.25	1.64	27.66	8.5 %	0.70
7,200	80	40	39.00	40.10	19.00	20.10	2.17	36.93	8.5 %	0.90
9,000	100	50	48.75	50.25	23.75	25.25	2.73	46.27	8.5 %	1.00
10,800	120	60	58.75	60.25	28.75	30.25	3.08	55.92	8.25 %	1.00
14,400	160	80	78.50	80.25	38.50	40.25	3.97	74.78	8.1 %	1.25
18,000	200	100	98.25	100.25	48.25	50.25	4.85	93.65	8 %	1.50
21,600	240	120	118.00	120.25	58.00	60.25	5.82	112.43	8 %	1.75
28,800	320	160	157.75	160.25	77.75	80.25	7.55	150.45	7.9 %	2.00
36,000	400	200	197.00	200.50	97.25	100.25	9.22	188.28	7.8 %	2.50
PLANS REQUIRING 180 MINIMUM INVESTMENTS										
72,000	400	400	197.00	200.50	197.00	200.50	10.10	387.40	5.7 %	2.50
108,000	600	600	297.00	300.50	297.00	300.50	10.28	587.22	4.9 %	2.50
144,000	800	800	397.00	400.50	397.00	400.50	10.22	787.28	4.5 %	2.50

charge deductions bear to such investments made exceed the percentage that the total sales charge deductions would have been to the total investments made if the Plan had been completed.

THE AMOUNT OF THE PLANHOLDER'S INITIAL INVESTMENT, INCLUDING THE \$2.00 CUSTODIAN FEE, WILL BE PROMPTLY REFUNDING TO HIM IN FULL UPON RECEIPT OF

HIS WRITTEN REQUEST MADE WITHIN 30 DAYS AFTER ACCEPTANCE OF THE PLAN.

Accumulation Plans with Insurance: (available only in the Province of Quebec). Accumulation Plans are available with insurance on the life of the Planholder or the person designated by him (hereinafter called the "Insured") arranged through Global Life Insurance Company (hereinafter called the "Insurer") to provide, in the event of the death of the Insured, for payment to the Custodian of an amount equal to the aggregate unpaid deposits under the Plan to the maximum of the first \$25,000 of the Plan objective excluding any monthly investments after the Insured has attained the age of 66. No person may become insured if he has attained the age of 66. In the initial years the premium paid with each investment is not sufficient to cover the insurance provided. Should any such Plan be terminated for any reason prior to its conclusion, or should insurance under any such Plan be terminated as required because the Insured has attained the age of 66, there will be an additional premium charged to the Planholder's account for the insurance coverage enjoyed by him to termination based on the higher premium rate (calculated at the Insurer's standard rates for term insurance) applicable to such insurance coverage for the reduced term of the insurance. Payment of the proceeds of the insurance after the deduction of all sales charges applicable to the particular Plan will be applied by the Custodian to purchase Class "A" shares of the Company to complete such Plan. An additional cost over and above each monthly investment in a Plan for such life insurance will be charged. The basic premium rate applicable to insured persons of all ages of standard risk as determined by the Insurer in accordance with underwriting principles, including the total and permanent disability feature (applicable only to such Insured prior to their 60th birthday), payable under the Plans on a level premium basis of 39.5¢ per \$10 deposit on Plans requiring 124 investments and 60¢ per \$10 deposit on Plans requiring 179 investments which monthly premiums remain constant throughout the Plan (subject to the Insurer's right annually to vary the premiums based on experience). Insurance in excess of \$25,000 is available on similar terms at increased premium rates, particulars of which will be supplied by the Insurer upon request. An Insured of substandard risk as determined by the Insurer is a person who by reason of a health impairment is not acceptable at the basic premium rate but who is an acceptable risk at an increased premium rate. Other than the charges referred to aforesaid there is no penalty or

discontinuance fee for early termination of the insurance.

If the Planholder fails to make the required contribution to his Plan by reason of illness or injury, (being less than total and permanent disability) and upon the Planholder making satisfactory arrangements for payment of premiums to the Selling Agent, the insurance may be continued at its discretion by the Selling Agent (Policyholder) continuing premium payments, but such insurance shall terminate 7 days after the date of recovery or one year from the date of failure to make such contribution, whichever date first occurs, unless the Planholder shall have resumed making his contributions to the Plan.

On submission to the Insurer of satisfactory proof that any Insured rated as standard while insured hereunder and prior to his 60th birthday has become totally and permanently disabled as a result of bodily injury or disease (if the Insured has complete inability to engage in gainful occupations for which he is reasonably fitted by education, training or experience), the Insurer will continue the insurance on such Insured in force for the amount then in effect without payment of premiums, and commencing six months after submission of such proof will pay to the Selling Agent the part of the required monthly investment of the Planholder representing investment toward the first \$25,000 of the Plan objective as and when they fall due but not after age 66, subject to satisfactory proof of the continuance of such total and permanent disability being submitted to the Insurer at any time on demand but the Insurer will not demand such proof more often than once a year after such disability has continued for two years. If such Insured ceases to be totally disabled or fails to submit proof of the continuance of total disability, the monthly investments and all insurance on such person shall terminate automatically.

In the event that the Insurer fails or refuses to pay under any such insured Plan, the Selling Agent is not required to bring any suit nor incur any expense for collecting on the policy unless first fully indemnified against all costs, counsel fees and other expenses. All insured Plans are issued with the express understanding that the Selling Agent is not in any way engaged in the insurance business, and that the Selling Agent is not making any representation in any manner whatsoever regarding, or otherwise warranting, the validity or legality of the life insurance arranged for in accordance with the terms of the Plans or of the group policy. If an Insured dies by his own act within two years of effecting insurance or any increase therein, such insurance or in-

crease therein shall be void. The Insurer has the right annually to vary the premiums based on experience.

Systematic Capital Accumulation Plan No. 120 offered by C.A.P. Limited (not available in the Province of Quebec).

International Fund Distributors Limited has made arrangements with C.A.P. Limited, 291 Dundas Street, London, Ontario, whereby the latter company makes available its investment services for purchase of the Class "A" shares of the Company on a systematic basis.

The Systematic Capital Accumulation Plan No. 120 of C.A.P. Limited provides for a minimum of 120 purchases of the Class "A" shares of the Company within a 10-year period. The Plan constitutes a service contract between the purchaser of the Class "A" shares and C.A.P. Limited. A detailed description of the Plan may be obtained from C.A.P. Limited at the above mentioned address.

Systematic Programme: Class "A" shares of the Company may be purchased at the public offering price through a Systematic Programme (hereinafter called the "Programme"). The Programme provides for an initial investment of at least \$100 and for subsequent investments of at least \$100 whenever the Programme-holder desires. A Programme may be terminated by a Selling Agent if the Programme-holder fails to make an investment for 6 months or more, in which event the Custodian shall furnish the Programme-holder with a share certificate for the Class "A" shares then held and shall refund in cash any fraction of a share based on the redemption price then in effect. Investments made by the Programme-holder are applied to the purchase of Class "A" shares of the Company at the public offering price prevailing at the time such investments are received by Canada Permanent Trust Company at its Montreal or Toronto office.

Shares purchased with the initial and all subsequent investments are credited to the Programme-holder's share account maintained by the Custodian. All dividends payable thereon will be received by the Custodian and re-invested in further shares for the Programme-holder at net asset value. When any such Programme has been completed, or at the request of a Programme-holder at any time, the Canada Permanent Trust Company as Custodian will issue a Certificate in the name of the Programme-holder for the Class "A" shares owned

by him upon surrender of the Programme-holder's certificate. A charge of not more than \$1.50 per payment shall be deducted by the Custodian to reimburse it for administration expenses.

Withdrawal Plans: When an investor has invested a minimum of \$5,000 or has acquired Class "A" shares which have attained a total net asset value of at least \$5,000 he may then liquidate (a) such number of shares each month (or quarter-annually) as is necessary to provide for periodic payments to him of \$50 or any multiple of \$25 above that amount; or (b) he may liquidate a number of shares each month or quarter; provided that Class "A" shares required to be liquidated to make the periodic payments in (a) or (b) aforesaid shall be liquidated as of the last business day of the month or quarter on which the net asset value of the Class "A" shares of the Company is determined. A charge of \$1.00 (subject to revision by the Custodian from time to time) per payment shall be deducted by the Custodian to reimburse it for administration expenses. Dividends shall be reinvested by the Custodian in Class "A" shares of the Company.

HOWEVER, IF SUCH LIQUIDATIONS ARE IN EXCESS OF DIVIDEND INCOME FROM THE CLASS "A" SHARES AND NET CAPITAL APPRECIATION, IT MAY RESULT IN ENCROACHMENT ON OR POSSIBLE EXHAUSTION OF THE SHAREHOLDER'S ORIGINAL CAPITAL.

Retirement Savings Plan: A Retirement Savings Plan under which Canada Permanent Trust Company, as Trustee, attends to the registration of the Plan pursuant to the provisions of Section 79B of the Income Tax Act (Canada). All deposits received by the Trustee under a Retirement Savings Plan are used to purchase Class "A" shares of the Fund at the public offering price thereof from time to time. All the conditions of the Plan are referred to in the form of application for membership. The Trustee is entitled to an initial service fee of \$5.00 per Plan and an administration fee of one-half of one per cent per annum of the net asset value of the shares in each Plan, such fee being determined and payable quarterly on the last days of March, June, September and December in each year and being then chargeable to the respective accounts. Shares purchased under this Plan are non-assignable, non-transferable and absolutely inalienable except to the extent permitted by the Income Tax Act (Canada).

15. There are offered by this Prospectus the unissued Class "A" shares of the Company of the par value of 20¢ each. The public offering price of such Class "A" shares is an amount per share equivalent to the liquidating value thereof from time to time (determined in accordance with the provisions of clause 5 of paragraph 9 hereof) plus a sales commission per share not to exceed 8½% of the public offering price including such commission. Reduced commissions are available in accordance with the rates set out in the table in paragraph 14 hereof.

Of the said public offering price, the net asset value will be payable to the Company and the sales commission, subject to the deduction by the distributor, International Fund Distributors Limited, of its sales charges and distributor's fees, will be retained by the Selling Agents from time to time engaged in the sales of the shares to the public. Reference is hereby expressly made to clause 4 of paragraph 9 hereof for the provisions of the Letters Patent of the Company with respect of the issue of Class "A" shares. Class "A" shares of the Company have been continuously offered for sale since August 23, 1960. During the fiscal year ending November 30, 1965, 411,278 Class "A" shares were issued for a cash consideration of \$1,263,501.54 and 42,419 Class "A" shares were issued for marketable securities valued at \$139,982.70 and 102,584 Class "A" shares were redeemed at a total redemption price paid in cash of \$304,390.80. During the fiscal year ending November 30, 1966, 678,660 Class "A" shares were issued for a cash consideration of \$2,212,875.11, no Class "A" shares were issued for marketable securities, 87,708 Class "A" shares were redeemed at a total redemption price paid in cash of \$282,823.30, 13,582 Class "A" shares have been subscribed for but not allotted or issued and there have been issued and are outstanding 30 common shares of the Company which are fully paid and non-assessable.

16. The estimated net proceeds to be derived from the sale of Class "A" shares hereby offered is dependent on the issue price from time to time and no estimate can be made of the number of shares that will be sold or the estimated net proceeds to be derived from the shares offered.

17. The net proceeds to the Company from the sale of the shares offered by this Prospectus will be used for the general purposes of the Company as set out in Paragraph 3 hereof.

18. In the opinion of the Board of Directors of the

Company, no minimum amount must be raised by the issue of the Class "A" shares offered by this Prospectus in order to provide the sums required to be provided to pay the purchase price of any property, any preliminary expenses payable by the Company, any commission payable by the Company, the repayment of any moneys borrowed by the Company in respect of the foregoing matters or the repayment of any bank loans.

19. The Company has no agreement with an underwriter in respect of its Class "A" shares. However, reference is expressly made to paragraphs 13 and 14 hereof for a statement with regard to the distributorship agreement with International Fund Distributors Limited made as of the 16th day of September, 1965.

20. The by-laws of the Company permit the remuneration of Directors as determined from time to time by the Board of Directors and also provide for the reimbursement of Directors for travelling and other expenses properly incurred in connection with the affairs of the Company. The Company has no investment advisory committee or similar body.

None of the directors of the Company who are also directors and/or officers of the Manager will receive fees as directors of the Company. However, for a statement with regard to the remuneration to which the Manager is entitled, reference is hereby expressly made to paragraph 5 hereof.

21. The Company has paid no remuneration to any Director or Officer of the Company as such up to and including the fiscal year ending November 30, 1966. The aggregate remuneration estimated to be paid or payable during the current fiscal year of the Company to its Directors, as such, is \$1,000.00. It is not anticipated that the aggregate remuneration to the Directors and Officers of the Company during the current fiscal year will be in excess of \$10,000.

22. No amount has been paid or is intended to be paid by the Company as a commission for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any securities of the Company.

23. The Company has been carrying on business for more than one year.

24. Except for transactions entered into in the ordinary course of business or on the general credit of the Company, the Company has not purchased or acquired any property and does not propose to purchase or acquire any property in the future, the purchase price

of which is to be defrayed in whole or in part out of the proceeds of this issue or the purchase price of which has been paid by the Company within the last two preceding years.

25. The Company has not issued or agreed to issue any of its securities for consideration other than cash within the two preceding years except for the issue of 42,419 Class "A" shares for securities having a market value of \$139,982.70.

26. No obligations are offered by this Prospectus.

27. Exclusive of services rendered or to be rendered to the Company in the ordinary course of business, which may sooner or later be paid for wholly or partly out of the proceeds of the issue of the securities offered by this Prospectus, no services have been rendered or are to be rendered to the Company which are to be paid for by the Company wholly or partly out of such proceeds. No services have been rendered or are to be rendered to the Company which have been within the two preceding years or are to be paid for by securities of the Company.

28. No amount has been paid by the Company or is intended to be paid to any promoter, except that International Fund Distributors Limited is entitled to remuneration as set out in paragraph 5 hereof to which paragraph reference is hereby expressly made.

29. No material contracts have been entered into by the Company within the two preceding years, except the following:

- (1) the said Agreement dated November 10, 1965, to retain International Fund Distributors Limited as Manager (see paragraph 5 hereof);
- (2) the said Agreement with International Fund Distributors Limited made as of the 16th day of September, 1965, appointing it exclusive wholesale distributor of the Company's Class "A" shares (see paragraph 13 hereof);
- (3) the said Agreement made as of the 12th day of December, 1966, appointing a Canadian chartered bank custodian of the Company's assets (see paragraph 11 hereof).

A copy of each of the said Agreements may be inspected during ordinary business hours on any business day at the Company's head office.

30. None of the Directors has any direct interest in the promotion of the Company or in any property ac-

quired by the Company within the two preceding years or proposed to be acquired by it except that reference is hereby expressly made to paragraphs 5 and 13 hereof for a statement with respect to the management and distribution contracts between the Company and International Fund Distributors Limited. Messrs. H. C. Andreae, L. M. Savage, G. F. Bain and G. H. Craig are the only directors of the Company who are also officers, directors or shareholders of International Fund Distributors Limited.

31. The Company commenced business on September 5, 1960, and has not acquired and does not propose to acquire any other business.

32. H. C. Andreae is entitled to elect or cause to be elected a majority of the Directors of the Company.

33. The Company has declared cash dividends payable to the holders of Class "A" shares and common shares in respect of the fiscal years indicated below, which amounts were paid following the end of each fiscal year.

Fiscal Year	Amount per Share	Aggregate
1961	2 cents	\$ 1,677.13
1962	2 cents	\$ 5,679.02
1963	2 cents	\$ 9,798.28
1964	2 cents	\$12,758.20
1965	3 cents	\$30,931.98

OTHER MATERIAL FACTS AND INFORMATION

Dividend Policy: The Board of Directors has laid down a general dividend policy for the Company for the current and subsequent fiscal years as follows:

- (1) The Company shall distribute by way of an annual dividend all paid-in income on hand at the end of each such fiscal year plus at least 85% of its net operating revenue after all expenses during any such fiscal year;
- (2) Such annual dividend is to be paid in respect of any such fiscal year during the first quarter following the end of any such fiscal year.

Re-investment of Dividends: A shareholder is permitted to give an order to the Company authorizing it to apply all dividends payable in respect of the shares of the Company registered in the name of such shareholder to the purchase of Class "A" shares of the Company, the price per share to be paid being the net

asset value per share as at the close of business on the last preceding valuation day.

Income Tax: Individual shareholders of the Company who reside in Canada at the time of receiving dividends from the Company during 1966 are entitled to the 20% tax credit allowed by the Income Tax Act of Canada on dividends received by such residents from Canadian companies during such calendar year.

Re-investment of Net Profits: Net profits realized on the sale of securities are to be placed in the reserve for re-investment and are not to be used as distributable surplus.

Reports to Shareholders: Quarterly reports with respect to the Company will be forwarded to all shareholders. Such quarterly reports shall consist of 3 unaudited reports and the financial statements (including a statement of investments held) as of the fiscal year end as reported on by the Company's auditors.

Voting Rights: The holder of common shares in the capital stock of the Company is entitled to one (1) vote for each common share held at all meetings of shareholders. The rights of the holder of Class "A" shares in the capital stock of the Company to receive notice of, attend and vote at meetings of shareholders are restricted as provided in the said Letters Patent and the said Supplementary Letters Patent of the Company (see Paragraph 9 of this Prospectus in respect of such restrictions).

There are no other material facts not disclosed in the foregoing which includes the information supplied by Mr. Herbert Christopher Andreae, President of the Company.

The foregoing constitutes full, true and plain disclosure of all material facts in respect of the offering of securities referred to above as required by Section 40 of The Securities Act (Ontario), by Section 13 of The Securities Act (New Brunswick), by Part X of The Securities Act, 1955 (Alberta), Part VII of The Securities Act, 1962 (British Columbia), and under the Quebec Securities Act and there is no further material information applicable other than in the financial statements or reports where required.

DATED at Toronto this 5th day of January, 1967.

DIRECTORS

(sgd.) H. C. Andreae	(sgd.) L. M. Savage
(sgd.) R. L. Hoguet	by his agent
by his attorney	J. W. Bennett
H. C. Andreae	(sgd.) George F. Bain
(sgd.) R. P. MacFadden	(sgd.) Dalton K. Camp
by his attorney	
H. C. Andreae	
(sgd.) G. H. Craig	
(sgd.) H. R. Patterson	
(sgd.) J. W. Bennett	

To the best of the knowledge, information and belief of the undersigned, the foregoing constitutes a full, true and plain disclosure of all material facts in respect of the offering of securities referred to above as required by Section 40 of the Securities Act (Ontario), the Quebec Securities Act and the New Brunswick Securities Act. There is no further material information applicable other than in the financial statements or reports where required or exigible. In respect of matters which are not within its knowledge, the undersigned have relied upon the accuracy and adequacy of the foregoing.

INTERNATIONAL FUND DISTRIBUTORS LIMITED

Per: (sgd.) George F. Bain

INVESTO-PLAN LIMITED

Per: (sgd.) Robert H. Grasley

MARITIME FUND CONSULTANTS LIMITED

Per: (sgd.) Norman Roger Walker

The following are the names of all persons who have an interest either directly or indirectly to the extent of not less than 5% in the capital of International Fund Distributors Limited: H. C. Andreae.

The following are the names of all persons who have an interest either directly or indirectly to the extent of not less than 5% in the capital of Investo-Plan Limited: Michael Bacal, Austin C. Beutel, J. A. Leger Chenard, Edward M. Bronfman, and Peter F. Bronfman.

The following are the names of all persons who have an interest either directly or indirectly to the extent of not less than 5% in the capital of Maritime Fund Consultants Limited: Perry A. West, H. Norman Stanbury, William C. Lee and Michael J. Axford.

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PROSPECTUS

ANDREAE EQUITY INVESTMENT FUND LIMITED
55 Yonge Street, Toronto 1, Ontario

**INVESTMENT MANAGER AND EXCLUSIVE
WHOLESALE DISTRIBUTOR**

INTERNATIONAL FUND DISTRIBUTORS LIMITED
55 Yonge Street, Toronto 1, Ontario

PRINCIPAL QUEBEC SELLING AGENT

INVESTO-PLAN LIMITED
50 Place Cremazie, Suite 1210, Montreal, Quebec

PRINCIPAL NOVA SCOTIA SELLING AGENT

MARITIME FUND CONSULTANTS LIMITED
Halifax Shopping Centre
Halifax, Nova Scotia

AUDITORS

PRICE WATERHOUSE & Co.
55 Yonge Street, Toronto 1, Ontario

**AVAILABLE AS CUSTODIAN
FOR CERTAIN PLANS**

CANADA PERMANENT TRUST COMPANY
253 Bay Street, Toronto 1, Ontario
600 Dorchester Blvd. West, Montreal, Quebec

TRANSFER AGENT & REGISTRAR

CANADA PERMANENT TRUST COMPANY
Montreal, Toronto, Vancouver

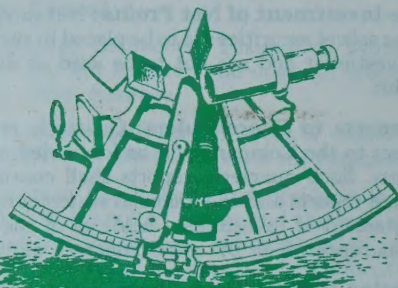
PROSPECTUS

DECEMBER 1966

including

ANNUAL REPORT

as at November 30, 1966



The Class "A" shares offered hereby are to be issued as fully paid and non-assessable.

WITHDRAWAL PLANS, which are described on pages 22-23 of this prospectus, provide that, if such liquidations are in excess of dividend income from the Class "A" shares and net capital appreciation, it may result in encroachment on or possible exhaustion of the shareholder's original capital.

No Securities Commission or similar authority in Canada has in any way passed upon the merits of the securities offered hereunder and any representations to the contrary is an offence.

Shares are sold at prices which are determined daily based on the market values of securities owned. The sales price includes a sales charge of 8.5% of the sales price (9.29% of the net asset value per share) in transactions involving an aggregate of less than \$25,000. For the details of the reduced charges in other transactions, see page 19.

**ANDREAE
EQUITY
INVESTMENT
FUND
LIMITED**